



Request for City Council Committee Action From the Department of Public Works

Date: March 4, 2003
To: Honorable Sandra Colvin Roy, Chair, Transportation & Public Works Committee
Referral to: Honorable Barbara Johnson, Chair, Ways & Means/Budget Committee
Subject: **Kenwood Parkway Sanitary Sewer, Sewer Project Number 4340.**

Recommendation:

1. Passage and summary publication of a resolution designating the sanitary sewer work, receiving the cost estimate of \$102,000, approving Kenwood Crest LLC's petition, approving City funding of \$50,848 from an existing appropriation in the Sewer Enterprise Fund in the Public Works Sewer Construction Capital Agency (7300-932-9322-SW001), approving special assessments in the amount of \$51,152 and ordering the City Engineer to proceed and do the work.
2. Passage and summary publication of a resolution requesting the Board of Estimate and Taxation to issue and sell assessment bonds in the amount of \$51,200 for the Kenwood Parkway Sanitary Sewer Project with the bonds to be paid for from the special assessments revenues.
3. Passage and summary publication of a resolution amending the 2003 capital appropriation resolution to increase appropriation for Public Works in the Sewer Enterprise Fund in the Public Works Sewer Construction Capital Agency for expenses related to the Kenwood Parkway Sanitary Sewer Project by \$51,152 (7300-932-9322-SW001) funded from an increase to assessment bond proceeds revenues in the amount of \$51,152 (7300-932-9322-Source 3880).

Previous Directives: None

Prepared by: Paul Chellsen, Engineering Services, 673-2406 and Harvey C. Olson,
Management Services, 673-3606

Approved by: Klara A. Fabry, P.E., City Engineer, Director of Public Works

Paul W. Ogren, P. E., Director, Engineering Services

Presenters: Patrick Wrase, Engineer III & Harvey C. Olson, Real Estate Investigator Aide II

Financial Impact (Check those that apply)

- ☐ No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- ☒ Action requires an appropriation increase to the Capital Budget
- ☐ Action requires an appropriation increase to the Operating Budget
- ☒ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☒ Other financial impact (Explain): Special assessments to benefited properties.
- ☐ Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information Attached:

Background/Supporting Information:

Kenwood Crest LLC has petitioned the City of Minneapolis to install a public sanitary sewer in Kenwood Parkway from Morgan Avenue South to former Newton Avenue South (see Attachments 1 and 2).

The cost estimate for the public sanitary sewer in Kenwood Parkway is \$102,000.

Policy for assessing sanitary sewers is to assess 100% of the costs. However, there are provisions in the Minneapolis City Charter that provide for adjustments. Practice has been to include these adjustments in the assessment calculations with the City paying the costs resulting from these adjustments. The assessment plan prepared by the Public Works Department included adjustments provided for in Chapter 9, Section 4 of the City Charter (see Attachments 3 and 4).

A summary of the project funding rounded to whole dollars is as follows:

1. Special assessments portion	\$51,152
2. City portion	<u>\$50,848</u>
3. TOTAL PROJECT COST	\$102,000

Kenwood Crest LLC has agreed in its petition to assume the entire special assessments portion of \$51,152. Kenwood Crest LLC owns Lots 1 and 2 in the Kenwood Crest development site and has requested that the \$51,152 be apportioned to these two lots on an "equal shares" basis of \$25,576 per lot.

Funds are available in the Sewer Enterprise Fund in the Public Works Sewer Construction Capital Agency (7300-932-9322-SW001) to pay for the City portion of \$50,848.

An appropriation increase of \$51,152 in the Sewer Enterprise Fund in the Public Works Sewer Construction Capital Agency (7300-932-9322-SW001) to front-end the assessed cost is recommended.

It is also recommended that the Board of Estimate and Taxation be requested to sell assessment bonds in the amount of \$51,200. The requested bonding amount has been rounded up to the next \$100. The Sewer Enterprise Fund in the Public Works Sewer Construction Capital Agency would be reimbursed from the bond proceeds. The revenues from the special assessments would be used to pay off the bonds.

The sanitary sewer installation work would be done by City forces. The Sewer Construction and Maintenance Engineer has advised that the construction could begin in mid-April, 2003.

If approved, the special assessments would be collected over 20 years beginning on the 2004 real estate tax statements with interest charged at the same rate as other assessed construction. The principal balance of the special assessments along with any accrued interest may be paid in full at any time during the 20 year period. Also, the special assessments may be paid in full prior to the beginning of collection on the 2004 real estate tax statements.

Attachment 1 - Kenwood Crest LLC's petition

Attachment 2 - Sewer project location map

Attachment 3 - Minneapolis City Charter, Chapter 9, Section 4

Attachment 4 - Allocation of sewer project costs

C: Lisa Goodman, 7th Ward Council Member
Mike Abeln, Director, Capital and Debt Management
Jack Qvale, Secretary, Board of Estimate and Taxation
Don Siggelkow, Secretary, Minneapolis Park and Recreation Board
Kenwood Crest LLC, petitioner and owner of Lots 1 and 2
David Miller, owner of Lot 3
Jay L. and Susan Gouliard, owners of Lot 4
Gary W. and Mari P. Becker, owners of Lot 5
Robert E. Kessler and Kevin L. Greene, owners of Lot 6
Jon C. and Lynn R. Christie, owners of Lot 7
Keith E. and Kaori Williams, owners of Lot 8
C.F., R.L., M.C. and L.L. Abboud, owners of 1204-06 Kenwood Parkway
C. Robert and Sandra M. Morris, owners of 1200 Kenwood Parkway
Jeffrey P. Wendel, owner of 1128 Kenwood Parkway
Craig Swaggert and Tanna Moore, owners of 1126 Kenwood Parkway
Barry R. Rubin and Amy J. Silvermann, owners of 1124 Kenwood Parkway
Carlos A. and Anna D. Guanche, owners of 1122 Kenwood Parkway

T&PW & W&M/Budget - Your Committee, having under consideration the Kenwood Pkwy Sanitary Sewer Project No 4340, now recommends passage and summary publication of the accompanying Resolutions:

- a) Designating the sanitary sewer work, adopting special assessments and ordering the work to proceed for the Kenwood Pkwy Sanitary Sewer Project No 4340;
- b) Requesting the Board of Estimate and Taxation to issue and sell City of Minneapolis bonds in the amount of \$51,200 for the project; and
- c) Increasing the appropriation for the Public Works Sewer Construction Capital Agency in the Sewer Enterprise Fund by \$51,152 for the project with reimbursement from the assessment bond proceeds.

Colvin Roy and Johnson

**KENWOOD PKWY SANITARY SEWER
PROJECT NO 4340**

Designating the sanitary sewer work, adopting special assessments and ordering the work to proceed for the Kenwood Pkwy Sanitary Sewer Project No 4340.

Whereas, Kenwood Crest LLC, a Minnesota limited liability company, has developed and is constructing an eight (8) unit residential planned community known as "Kenwood Crest" that is located along the NWly side of Kenwood Pkwy in the vicinity of former Newton Av S; and

Whereas, the said Kenwood Crest LLC has petitioned the City of Minneapolis to install a public sanitary sewer in Kenwood Pkwy; and

Whereas, the cost estimate for the public sanitary sewer is \$102,000; and

Whereas, the City's portion of the costs for the public sanitary sewer is \$50,848, as described in Petn No _____ on file in the Office of the City Clerk; and

Whereas, the said Kenwood Crest LLC is the fee simple owner of Lots 1 and 2, Block 1, Kenwood Crest; and

Whereas, the said Kenwood Crest LLC has requested that the assessed costs of \$51,152 for the public sanitary sewer be apportioned to the said Lots 1 and 2 on an "equal shares" basis of \$25,576 to each said lot; and

Whereas, the said Kenwood Crest LLC has granted a waiver of its rights to a project approval public hearing, a special assessment public hearing and to appeal the special assessments to District Court;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the following existing street within the City of Minneapolis is hereby designated to be improved, pursuant to the provisions of Chapter 10, Section 8 of the Minneapolis City Charter, by installing a public sanitary sewer together with all the necessary appurtenances and work related thereto:

Kenwood Pkwy from approx the centerline of Morgan Av S to approx former Newton Av S (as more particularly described and shown in the plans on file in the Office of the City Engineer).

Be It Further Resolved that the City's portion of the costs for the public sanitary sewer in the amount of \$50,848 be paid from the PW - Sewer Construction Capital Agency in the Sewer Enterprise Fund (7300-932-9322-SW001).

Be It Further Resolved that the special assessments in the total amount of \$51,152 be and hereby are adopted and assessed against the benefited properties (aforesaid Lots 1 and 2 as identified in the aforesaid Kenwood Crest LLC's petition).

Be It Further Resolved that the number of successive equal annual principal installments by which the special assessments may be paid shall be fixed at twenty (20) and that interest be charged at the same rate as other assessed construction with collection of the special assessments to begin on the 2004 real estate tax statements.

Be It Further Resolved that the City Engineer is hereby ordered to proceed and do the work.

Colvin Roy and Johnson

Requesting the Board of Estimate and Taxation to issue and sell City of Minneapolis bonds in the amount of \$51,200 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to incur indebtedness and issue and sell City of Minneapolis bonds for the purpose of paying the assessed cost of sanitary sewer improvements in the Kenwood Pkwy Sanitary Sewer Project No 4340 to be assessed against benefited properties as estimated by the City Council, which assessments shall be collectible in twenty (20) successive annual installments, payable in the same manner as real estate taxes.

Colvin Roy and Johnson

Amending the 2003 Capital Improvement Appropriation Resolution.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by increasing the appropriation for the PW - Sewer Construction Capital Agency in the Sewer Enterprise Fund (7300-932-9322-SW001) by \$51,152 and increasing the revenue source (7300-932-9322-Source 3880) by \$51,152.